

May 25, 1967 Approved For Release 2000/08/26 : CIA-RDP75-00149R000200160010-5 13861

man from Pennsylvania [Mr. DENT] is recognized for 30 minutes.

MR. DENT, Mr. Speaker, in a few short days the President will sign the new tariff-cutting trade agreements commonly known as the Kennedy round. It may be prophetic that he signs this devastating international declaration of war on the U.S. marketplace on Memorial Day.

Memorial Day has been set aside to honor the dead. In this case the President may well be honoring the dead, the dying, and those about to be marked by the grim reaper in the form of international greed, cartels, and unfair trade practices.

The free trade theory reaches its climax at this point in history with the President's action on Memorial Day.

In spite of every economic factor in trade being completely ignored, some U. S. industries have been able to sustain life and still maintain a relatively high corporate income. However, for those industries landlocked into the U.S. market, the new agreements may be the final blow needed to completely annihilate them as industrial producers.

The American trade story is one of frustration, double talk, double standards, outright piracy by foreign competitors for our product lines, styles, methods, and markets. Any Member of Congress who will read and study the hearings on the impact of imports on employment—1952-53, STEEN; 1961-62, DENT; and 1966-67, DENT—must draw the same conclusion that I have: U.S. labor is being sold down the road of unemployment in spite of the promises of the free traders that labor will be retrained and paid out of the Treasury while he is unemployed because of import injury.

At this point, I present the statement of Ambassador Roth, our chief negotiator in the Kennedy round. He freely admits that industry will be destroyed, labor will be displaced by the added imports because of his trade concessions. I quote from the Evening Star of May 22, 1967:

**PLAN TO AID FIRMS HIT BY TARIFF CUTS STUDIED**

(By Leo M. Cohn, Star staff writer)

The Johnson administration may propose legislation to increase government aid for American companies and workers hurt by Kennedy Round tariff cuts, the chief U.S. trade negotiator said today.

Ambassador William M. Roth, who led the U.S. team in the tariff negotiations concluded last week, told a press conference here that there is a good chance the administration will request interim trade legislation when the present law expires June 30.

If there is interim legislation to handle routine trade matters, Roth said, it probably will include liberalized provisions for "adjustment assistance" to companies and workers who may be injured by rising imports as tariffs are reduced.

The Trade Expansion Act of 1962 provided for assistance in such cases, including job training, tax breaks and business loans. But Roth noted that the standards for proving injury are so tight that no one has qualified for aid.

Therefore, he said, legislation may be proposed to make assistance more readily available, perhaps following the pattern of a sep-

arate law dealing with U.S.-Canadian trade in auto parts. Assistance has been given under that law.

Roth said the United States came out "very well" in the Kennedy round negotiations. He said President Johnson will sign the agreement June 30.

Then, Roth said, his office will begin a study of U.S. trade policy, "looking forward to another major trade initiative some time ahead." The study will not be concluded until 1968 at the earliest, he said.

Mr. Speaker, there have been 13 appeals made to the Tariff Commission under the Kennedy agreements law—1962—and every appeal was denied. Not one industry received the promised help and not one worker received 1 cent of relief.

However, Mr. Speaker, when the Fram auto parts plant was closed by the Canadian auto pact, aid was given to the workers and I assume the corporation. Why this was done is a simple political fact of life. The injury was kept quiet by paying the workers in order that Congress would approve the President's action in signing the agreement.

This carrot has been held out to labor in order to get labor support. The truth of the matter is that labor will never be able to get back the jobs already lost and there just will not be enough jobs to train for when the new act goes into effect.

We have the foregoing admission that U.S. labor and industry will suffer. This blows up one of the free trade claims. The next weapon in the free traders arsenal has always been the deliberate and proven lie that free trade makes friends and forestalls international conflict.

We have cut tariffs for 30 years and we have had nothing but crises ever since. The longest period of international peace in our history was from the War of 1812 to the Spanish War of 1898. During all those years we were protecting our industries and markets, raising wages, industrializing our agricultural economy, and building up economy.

The claim that free trade makes a free world is a figment of the imagination and is the red herring of the exploiters both American and foreign. I have time and time again pointed out that free trade in its ultimate form would create more dissension and distrust than any other known device.

The proof is here and now. First, if an American industry hurt by imports can be aided under the Kennedy round to the point where it can compete with the foreign products, retrieve its lost market and successfully stop the importation of products, what happens when the foreign plant shuts down and lays off its workers?

I can imagine how happy our foreign friends will be. If we had not urged them to overproduce for our market, they certainly would not resent being thrown out. If this makes friends and promotes peace, then by all means, Mr. President, sign the agreement.

Second, Mr. Speaker, are we naive enough to believe that American labor exploiters are putting their plants on foreign shores to exploit the poor, unorganized, starving peoples of that land? They produce goods, ship said products to the United States of America displacing their own higher priced labor and

yet pay so little to their foreign labor that they cannot even buy the product they produce.

I have said many times that the would-be dictators, the Castros, and others in many lands have a built-in revolution in the ranks of the exploited workers. The riots we read about may be inspired by Communists but the exploited worker makes an easy target for the anti-Americans all over the world.

Few writers find the real cause of these disturbances, but apparently Victor Reisel has at least lifted the rug from the hidden dirt swept there by many years of false propaganda and faulty reporting.

Reading the following Victor Reisel story on the Hong Kong riots might be indeed enlightening. It does not take a genius to blend cheap wages, overseas ownership, and a large nation barred from the rich free U.S. market into a bitter brew of discontent.

Oh yes, there are Communists, but even if there were not they would riot at the right moment. No nation of peoples will for long allow itself to be exploited for the ease and comfort of another nation of peoples.

All nations are trying to build their economy upon the false illusion that this Nation will forever allow our markets to be taken by any nation regardless of costs of wages or costs of production. Every nation can live at the level it wants to live at if it does not allow its markets to be plundered by the exploiters who would in the end have cheap labor and high prices for all the worlds workers.

I present the Reisel report at this point:

**WHY NO CIA MONEY—AMERICA'S LABOR OPERATIVES CRUSHED IN HONG KONG**

(By Victor Reisel)

WASHINGTON, D.C.—It is something to ponder. If Leong Fook Kee had gotten CIA money the riot-ripped streets of Hong Kong might not have been so tumultuous and bloody. Like myself, Leong is one of a handful in that island who would sit around Jimmy's Kitchen off Queen St. and predict the riots would come—and start as labor demonstrations.

But Leong got no CIA money. He is a labor organizer—if he's still alive—working with the anti-Communist Hong Kong and Kowloon Trades Union Council. His budget is penny ante because there's been much screaming over the use of American labor funds to subsidize anti-Communist unions abroad. So Leong spent pennies while waiting for the British and American textile and garment unions to raise \$100,000.

Insiders knew that the Peking-controlled Hong Kong Federation of Trade Unions were awaiting the signal from Peking.

Peking's strategists knew that our young soldiers love to rest up from battle fatigue in Kowloon and on the Hong Kong island community of Victoria. And the excuse, the insiders knew, would be labor riots as there were in Macao, to harass our troops on "holidays."

So the U.S. and British unions, affiliated with the International Textile and Garment Workers Federation, met in London and Paris to launch unionization drives in Hong Kong—for many reasons. At least 40 per cent of the Crown Colony's industrial employment is in soft goods manufacture. Workers there earn as little as 12 cents an hour. They go in three eight-hour shifts round the clock.